

Remuneration report

The Directors present the Remuneration report for the year ended 31 December 2009. The report describes how the Company has applied the principles of the Combined Code with regard to remuneration. Sections 3(iv) to 3(viii) and 'Remuneration earned in the financial year' on pages 59 to 61 are subject to audit.

1 The Remuneration Committee

The Board has delegated authority to the Remuneration Committee ('the Committee') to determine the remuneration and other terms and conditions of the Executive Directors, the Chairman and the Company Secretary and to formulate the policy for their remuneration. The Committee is also responsible for reviewing the remuneration trends across the Company and its major businesses and for reviewing the remuneration of those individuals identified as key and senior management by the Board of the Company.

The Committee had access to the advice of the Chief Executive, the Company Secretary and the Charter HR Director (none of whom participated in any discussion directly relating to their own remuneration). In conducting its duties the Committee was also advised by Hewitt New Bridge Street Consultants ('HNBS' part of Hewitt Associates), who provided independent advice regarding the Executive Directors' remuneration on a range of issues throughout the year, including the changes for 2010 set out below and Watson Wyatt who were engaged to present an overview of remuneration trends and to facilitate a Committee discussion on remuneration policy. Neither HNBS nor Watson Wyatt provided any other services to the Company during the year; however, Hewitt Associates provided actuarial advice to the Company.

The members of the Committee are Grey Denham, John Biles, Andrew Osborne and Manfred Wennemer (all of whom are independent Non-Executive Directors) and Lars Emilson (the Chairman of the Company). The Hon. James Bruce retired from the Board and as the Committee's Chairman on 29 April 2009 and Grey Denham was appointed Chairman of the Committee on that date. Manfred Wennemer joined the Committee on his appointment to the Board on 26 March 2009. Details of the number of meetings held by the Committee in 2009, as well as attendance details, can be found in the table contained in the Corporate governance report on page 49.

During 2009 some of the key issues addressed by the Committee were as follows:

- reviewing and updating the Company's policy on Executive Directors' remuneration to ensure it remained appropriate;
- reviewing the base salaries of the Executive Directors for 2010;
- setting performance targets in line with the Company's strategy for the annual bonus plan for 2010 and determining the amounts potentially payable, including increasing the maximum for the Chief Executive;
- reviewing the structure of the long-term incentive arrangements and proposing changes to them for 2010;
- agreeing to the percentage of the long-term incentive awards that should vest; and
- agreeing to the amounts payable in respect of the annual bonus scheme.

The terms of reference of the Committee are available upon request from the Company Secretary and are on the Company's website at www.charter.ie.

2 Remuneration policy

The Company seeks to attract, motivate and retain exceptional executives who have experience of operating in geographically complex, international engineering and manufacturing companies; in order to achieve these aims the Committee keeps the remuneration packages of Executive Directors under regular review.

The policy for the remuneration of Executive Directors is designed to ensure that their total reward is competitive and linked both to individual and business performance. Risk is taken into account when setting the targets and when determining entitlements under variable reward schemes; this is done by ensuring that targets, whilst stretching, are realistic, attainable and for the long-term benefit of the Company and that they are achievable without taking inappropriate business risks.

The salaries paid to Executive Directors are dependent on the experience and capabilities of the individual and are determined after having regard to the salaries paid by similar complex or geographically diverse businesses.

Short-term incentives (i.e. annual bonuses) are seen as an essential part of total reward and incentivisation for Executive Directors. Annual bonus targets will include separate elements for performance against both financial criteria (ordinarily calculated at constant currency rates) and personal objectives. The targets set will aim to address the issues facing the business over the coming year. It is the Committee's view that the bonus plan design should remain flexible and, where appropriate, be adjusted to reflect economic conditions.

The Committee believes that bonuses should reward high performance and deliver higher reward on the achievement of significant performance above expectation. It retains a discretion to adjust the amount of bonus paid if it believes the amount payable to be inappropriate in the light of underlying financial performance or economic circumstances.

25 per cent of bonus payments will ordinarily be deferred for three years and delivered by way of shares with no vesting for Directors who leave voluntarily or for cause during that period.

It is the view of the Committee that there should be long-term incentive plans for Executive Directors whereby they are rewarded with interests in the Company's shares for sustained performance over a period of time. As such, long-term incentives will continue to form an important element of total executive remuneration and appropriate performance criteria such as total shareholder return ('TSR') and/or earnings per share ('EPS') will be used. All structural changes to long-term incentive arrangements requiring shareholder approval will be consulted upon with leading shareholders and shareholder bodies prior to such consent being sought.

The Committee considers that a substantial portion of remuneration should be linked to performance. Following the changes proposed for 2010, around 50 per cent of the Chief Executive's target remuneration package will be fixed pay, with the balance split broadly equally between annual bonus and long-term incentives.

When setting remuneration levels for the Executive Directors, the Committee has regard to general pay and employment policies across the Company as a whole as well as the wider market, in order to ensure that a coherent policy applies.

3 Overview of remuneration

(a) 2009 Review

A detailed review of the remuneration packages of the Executive Directors was undertaken in 2009. The results highlighted that the total remuneration packages and certain elements of them were uncompetitive. Details of the changes to base salaries, a change to the bonus plan for the Chief Executive and proposed changes to the Long-Term Incentive Plan resulting from this review are set out in the relevant sections below. When considering these changes the Committee took into account the need to bring the Executive Directors' remuneration packages more closely into line with the market whilst recognising the need for pay constraint in the current economic climate.

(b) Executive Directors

(i) Base salary

The base salaries of the Executive Directors are reviewed annually and following exceptional one-off events where the individual responsibilities of the Executive Director change significantly. Salaries are benchmarked against those paid to directors in companies in comparable sectors which are of a similar size and international complexity.

The base salaries of the Executive Directors were reviewed with effect from 1 January 2010 and details of the increases awarded are set out on page 59.

(ii) Bonus

The maximum bonus potential of the Executive Directors in 2009 was 100 per cent of salary.

Actual bonus payouts in respect of 2009 were dependent on the achievement of a number of corporate and individual targets as discussed below. In order to align the interests of Directors with those of the Company's shareholders, it is the Company's policy that bonuses are only payable for the achievement of stretching performance targets, the majority of which are linked to the Company's financial performance. For the year ended 31 December 2009, these targets were as follows:

- (1) 64 per cent of bonus: EPS performance relative to budget;
- (2) 16 per cent of bonus: cash flow performance relative to budget; and
- (3) 20 per cent of bonus: personal performance.

For target 1, 40 per cent of the maximum bonus was payable for meeting budget (rather than 50 per cent as had been the practice in previous years) and for target 2, 50 per cent of the maximum bonus was payable for meeting budget. The maximum bonus would only become payable for a performance that was substantially in excess of budget. The Committee has reserved the overriding discretion to review aggregate bonus levels payable to Executive Directors based on the above criteria to ensure that they are appropriate taking into account the underlying financial performance of the Company and other factors. The bonuses payable to Executive Directors are not pensionable.

Following a review of the Executive Directors' performance and the financial performance of the Company during the year ended 31 December 2009, the Committee determined that the threshold EPS target had not been achieved and accordingly no bonus was paid in respect of this element. The threshold cash flow target was achieved and accordingly, a bonus payment of 5.8 per cent of salary was made in respect of this element of the bonus. In recognition of individual performances in respect of objectives set to strengthen and rationalise the Company, bonus payments

were made at 20 per cent of salary in respect of the personal performance element. Details of the bonuses paid to the Executive Directors in respect of the year ended 31 December 2009 are set out on page 59.

In respect of the year ending 31 December 2010, with one exception, bonuses payable to the Executive Directors will be measured against the same performance categories and on the same basis as those used in determining the 2009 bonus entitlements. The Committee believes that EPS and cash remain the Company's most important metrics for 2010, with the recovery in earnings the most important priority for the year. The only change is in respect of the EPS target whereby 50 per cent of the maximum bonus for that performance category will be payable for meeting budget. This will require a significant improvement over 2009. The maximum bonus will only become payable for a performance that is substantially in excess of budget and the threshold above which a percentage of the bonus first becomes payable (zero is payable at threshold) has been set at an EPS level above that achieved by the Company in 2009.

For the year ending 31 December 2010, Michael Foster's maximum bonus potential will increase from 100 per cent of salary to 125 per cent of salary. The Committee considers that this increase is appropriate and brings his maximum potential bonus entitlement more closely into line with the market.

The Committee has agreed that performance under the EPS element of the bonus will be measured on a constant currency basis. The Committee believes that this approach is a better reflection of management's underlying performance since exchange rates are not within management's control.

(iii) Deferred Bonus Plan ('DBP')

One-quarter of any bonus paid to Executive Directors will be paid in shares acquired in the market and compulsorily deferred for three years under the DBP. If Executive Directors leave voluntarily or for cause during this deferral period, their awards will normally lapse. These shares are held in trust prior to their release on vesting following the expiration of the three-year deferral period.

(iv) Long-term incentives

Michael Foster's Long-Term Incentive Plan (the 'MF Plan')

As described in previous remuneration reports, Michael Foster was granted an option over the Company's ordinary shares pursuant to a one-off arrangement that was put in place specifically to facilitate and secure his appointment as Commercial Director in 2005. The option was granted pursuant to paragraph 9.4.2 of the Stock Exchange Listing Rules, and so did not require shareholder approval. No grants were made in respect of the year under review and there is no intention to make any grants under this plan in the future.

The options had an exercise price of 217.99 pence, and were subject to performance conditions based on the Company's EPS and total shareholder return performance over the three years from grant. 50 per cent of the option required average real earnings per share growth of 3 per cent per annum over a single three-year period whilst the remaining 50 per cent was dependent upon the Company's TSR performance ranking in the upper quartile of the FTSE 250 Index (excluding Investment Trusts). Both conditions were met in full, and so the option became exercisable on 13 March 2008. In accordance with the rules of the plan Mr Foster exercised his award on 9 March 2009.

Charter International plc Long-Term Incentive Plan ('CI LTIP')

The CI LTIP was approved by the shareholders of the Company on 27 August 2008.

Under the CI LTIP, Executive Directors and selected other members of key management are eligible to receive awards which vest at nil cost to the executive three years after grant, subject to the satisfaction of performance conditions.

Currently, an individual may not receive awards in any financial year over shares having a market value in excess of 100 per cent of salary, except in exceptional circumstances, such as recruitment or retention, where an individual may receive an award over shares worth up to 200 per cent of their annual salary.

It is proposed that the rules of the CI LTIP be amended to increase the maximum market value of shares over which awards may be made in any financial year from 100 per cent to 150 per cent of annual salary. A resolution to approve this amendment to the rules of the CI LTIP will be put to the shareholders of the Company at the AGM to be held on 29 April 2010; details of the resolution are set out in the shareholders' circular and notice of meeting dated 23 March 2010. The Committee considers that this will provide them with the necessary flexibility to award grants of LTIPs that are in line with market practice.

In 2010, awards are proposed to be made to the Executive Directors of 125 per cent of annual salary. If in future, the Committee contemplates making awards at above 125 per cent of salary, it is the intention to consult with major investors beforehand.

Vesting is currently based on the Company's TSR performance compared with the constituents of the FTSE 250 Index (excluding investment trusts) over a single three-year period beginning on the date of the grant of the award. No vesting occurs for a below-median ranking. At median, 25 per cent of the shares vest and at upper quartile 100 per cent of the shares vest. Between median and upper quartile rankings, awards vest on a straight-line basis. In addition, awards only vest if the Committee is satisfied that there has been a significant improvement in the Company's underlying financial performance over the three-year performance period. Awards normally only vest on or after the third anniversary of the date of grant provided that the individual remains an employee of the Company and the performance conditions and any other objective conditions have been satisfied. HNBS performs the TSR calculations for the purposes of the LTIP.

The Committee proposes that future awards made under the CI LTIP be subject to a new performance condition pursuant to which 60 per cent of the award will be based on the Company's relative TSR performance over three financial years and 40 per cent on adjusted EPS growth over the same three years. In future years, the Committee will consider the mix between EPS and TSR in the light of the then circumstances, but will only alter the balance after consultation with the Company's major shareholders. The Committee recognises that relative TSR aligns management reward with returns to investors, but considers that the introduction of an EPS-related element will provide a good balance and a clear connection between management performance and rewards. However, irrespective of the TSR outcome, no awards will vest in relation to the TSR part of the award unless the Committee is satisfied with the underlying financial performance of the Company over the performance period. EPS will be defined for this purpose on an adjusted basis and will be measured consistently. The Committee has considered carefully the range of targets for the 2010 award and proposes that the range should be RPI plus an average of 6 per cent p.a. to RPI plus an average of 12 per cent p.a., with 25 per cent vesting at RPI plus 6 per cent p.a., rising on a straight-line basis until full vesting is achieved at RPI plus 12 per cent p.a. The Committee considers that this is a demanding range. The Committee wishes to retain the flexibility to set new targets each year, depending on the circumstances, but any new range

will be no less challenging in the circumstances than the original range was when it was set. A resolution to approve this new performance condition will be put to the shareholders of the Company at the AGM to be held on 29 April 2010; details of the resolution are set out in the shareholders' circular and Notice of meeting dated 23 March 2010.

(v) Share ownership guidelines

The Executive Directors are encouraged to build and maintain a holding of 100 per cent worth of salary in shares in the Company. This is expected to be built via the retention of at least 50 per cent of the net gain on vested awards under the Company's share incentive schemes until the guideline has been achieved.

(vi) Dilution

In the period to 31 December 2009 the Company has remained within the headroom limits set out in the ABI Guidelines 'Executive Remuneration – Policies and Practices', for the Company's existing share plans as set out below:

Total issued share capital at 31 December 2009	166,955,167
All schemes (10% in any rolling 10-year period)	1,876,431
Remaining headroom	14,819,085
Discretionary schemes (5% in any rolling 10-year period)	1,876,431
Remaining headroom	6,471,327

The Committee has the flexibility to satisfy awards pursuant to the CI LTIP by either a market purchase or new issue of the Company's shares. To date the Company has not bought shares to hedge the exposure to the Company's share price; however, the Committee keeps its hedging policy under review. Awards under the DBP will be satisfied by shares purchased in the market.

(vii) Pensions

All of the Executive Directors are members of the Charter HM Revenue & Customs-approved pension scheme. Mr Foster's accrual rate is one-thirtieth of base salary, and Messrs Careless and Deeley's accrual rates are one-fortieth of base salary, for each year of service as an Executive Director. They are all subject to a cap on pensionable earnings of £105,600 per annum and are entitled to receive, in lieu of pension over the cap, an allowance to the value of 25 per cent of the excess of base salary over the cap. These payments are included in their emoluments shown on page 59. Mr Deeley has elected that, from this amount, 9 per cent of his base salary in excess of the cap is paid to the Company's defined contribution stakeholder pension scheme. Details of pension entitlements can be found in the table on page 60.

(viii) Other benefits

Further benefits contained within the remuneration packages of the Executive Directors comprise tax-assessable benefits arising from employment and include car and petrol allowances, medical insurance for the Executive Directors and their immediate dependants and life assurance.

(ix) Service contracts

Details of the service contracts of those individuals who served as Executive Directors during the year are set out below. The normal retirement age of all the Executive Directors is 65.

The Executive Directors entered into new service agreements with Charter Central Services Limited ('CCSL') on 27 August 2008 which became effective on 22 October 2008 (the 'Service Agreements' and each a 'Service Agreement'). The Service Agreements are terminable in writing by CCSL upon 12 months' prior written notice; by Messrs Careless and Deeley on six months' prior written notice, and by Mr Foster on nine months' prior written notice. If the Service Agreement of either Michael Foster or

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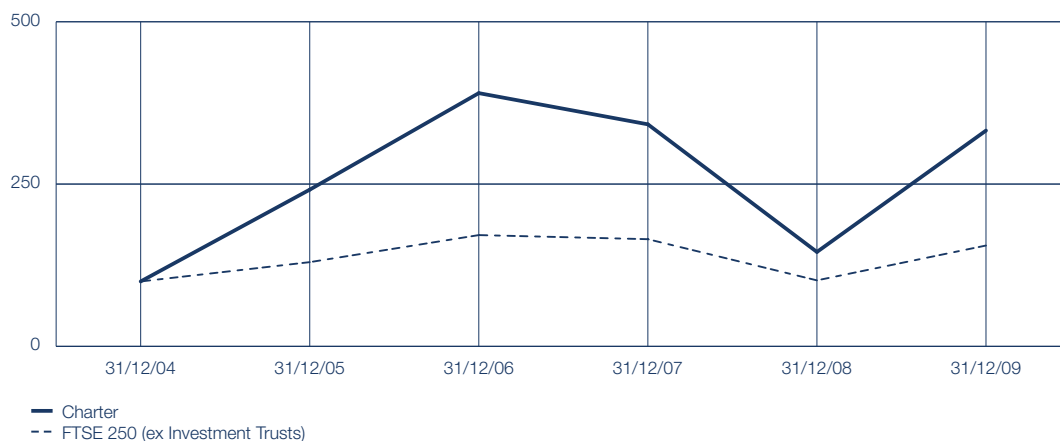
Robert Careless is terminated by CCSL except with notice, on retirement or for cause, then CCSL shall pay as liquidated damages an amount equal to the value of each Executive Director's annual salary, including both pension allowance and the value of the Executive Director's lost pension benefits. In respect of the service contract of Mr Deeley, and for Directors appointed in the future, the Committee will look to apply the principles of mitigation following termination.

CCSL has agreed 'tax equalisation' arrangements with each Executive Director under which, if the amount of any remuneration paid by CCSL or any Associated Company to that Director is taxed in a jurisdiction other than the United Kingdom, CCSL or the Director will make a balancing payment so that the amount received by the Director after tax in respect of that remuneration is the same as it would have been had he only been subject to United Kingdom tax in respect of it. Similar 'tax equalisation' arrangements have been put in place for the Chairman and the Non-Executive Directors, with the exception of Manfred Wennemer, who is a German resident and was not previously on the board of the former Charter plc.

The Executive Directors entered into letters of appointment in respect of their duties as Directors of the Company which took effect on 22 October 2008. Each appointment will be subject to termination by either party giving the other party not less than one month's notice in writing and will automatically cease if that Executive Director ceases to be an employee of CCSL.

(x) Total shareholder return ('TSR')

TSR calculations are carried out independently by HNBS by monitoring the percentage change in the Company's share price plus dividends reinvested over a period of time. The chart below shows the value by 31 December 2009, of £100 invested in Charter plc on 31 December 2004 and re-invested in Charter International plc on 22 October 2008 as compared with £100 invested in the FTSE 250 (excluding investment trusts) index on the same date. The other points plotted are the values at intervening financial year-ends.



In the opinion of the Directors, the FTSE 250 Index (excluding investment trusts) is the most appropriate index against which the TSR of Charter should be measured because it is an index of similar-sized companies.

(c) Non-Executive Directors

The Board has delegated authority to the Standing Committee to determine the fees payable to the Non-Executive Directors and has delegated authority to the Remuneration Committee to determine the fees payable to the Chairman. Non-Executive Directors are not eligible to participate in any of the Company's bonus, pension or share incentive schemes. They do not have service contracts but their terms of engagement are regulated by letters of appointment that comply with the recommendations of the Combined Code, details of which are set out below:

Name	Effective date of appointment letter	Notice period	Term	Unexpired term
Lars Emilson	22 October 2008	1 month (Company) 1 month (Director)	3 years	19 months
John Biles	22 October 2008	1 month (Company) 1 month (Director)	3 years	19 months
Grey Denham	22 October 2008	1 month (Company) 1 month (Director)	3 years	19 months
John Neill	22 October 2008	1 month (Company) 1 month (Director)	3 years	19 months
Andrew Osborne	22 October 2008	1 month (Company) 1 month (Director)	3 years	19 months
Manfred Wennemer	26 March 2009	1 month (Company) 1 month (Director)	3 years	24 months

The fees payable to the Non-Executive Directors during 2009 were £57,750 per annum, with the chairmen of the Audit and Remuneration Committees being paid an additional £6,000 and £4,000 per annum respectively. The additional fees payable to the chairmen of the Audit and Remuneration Committees reflect the increased duties attributable to fulfilling those roles. The policy is to review the fees payable to the Chairman and the Non-Executive Directors on an annual basis. With effect from January 2010, it was agreed to increase the Non-Executive Directors' fees by £2,500. The total fees payable to the Chairman of the Company remained unchanged.

Non-Executive appointment letters are available for inspection at the Company's registered office and will be made available at the AGM.

(d) External appointments

No Executive Directors currently hold any external directorships of listed companies.

Remuneration earned in the financial year

(a) Remuneration

(i) Directors' emoluments

The figures in the tables below represent the aggregate emoluments earned by the Directors from Charter International plc and its subsidiaries during the year ended 31 December 2009.

Directors	Salary £'000	Fees £'000	Bonuses paid in cash £'000	Bonuses paid in shares £'000	Benefits £'000	Payment in lieu of pension/ contribution £'000	Total 2009 £'000	Total 2008 £'000
Executive Directors								
Michael Foster	457	58	100	33	17	102	767	966
Robert Careless	236	58	57	19	15	47	432	529
James Deeley ³	209	58	52	17	17	26	379	491
Executive Directors' total	902	174	209	69	49	175	1,578	1,986
Non-Executive Directors								
Lars Emilson	–	209	–	–	–	–	209	200
John Biles	–	64	–	–	–	–	64	56
The Hon. James Bruce ¹	–	26	–	–	–	–	26	56
Grey Denham ⁴	–	60	–	–	–	–	60	55
John Neill	–	58	–	–	–	–	58	55
Andrew Osborne	–	58	–	–	–	–	58	55
Manfred Wennemer ²	–	44	–	–	–	–	44	–
Non-Executive Directors' total	–	519	–	–	–	–	519	477
Total	902	693	209	69	49	175	2,097	2,463

1 The Hon. James Bruce retired from the Board on 29 April 2009

2 Manfred Wennemer joined the Board on 26 March 2009

3 James Deeley received a £12,500 salary increase on becoming Commercial Director on 26 March 2009

4 Grey Denham was appointed Chairman of the Remuneration Committee on 29 April 2009 and received additional fees from this date.

- (1) During the period, the remuneration of the Executive Directors was split so that, in common with the Non-Executive Directors, they received fees from Charter International plc of £57,750 in respect of their duties as Directors of Charter International plc. At the same time the salaries received by them from CCSL in respect of their executive duties on behalf of the rest of the Charter Group were reduced by an equivalent amount so that in aggregate they received the same remuneration.
- (2) With effect from 1 January 2010, the fees payable to all Directors in respect of their duties as Directors of Charter International were increased from £57,750 to £60,250 per annum, with the chairmen of the Audit and Remuneration Committees continuing to be paid an additional £6,000 and £4,000 respectively. The additional fees payable to the chairmen of the Audit and Remuneration Committees reflect the increased duties attributable to fulfilling these roles. The total fees payable to the Chairman of the Company remained unchanged.
- (3) With effect from the annual review on 1 January 2010, the current base salary and fees of the Executive Directors are as follows:

	Salary £'000	Fees £'000	Total £'000
Michael Foster	470	60	530
Robert Careless	248	60	308
James Deeley	230	60	290

The percentage increase in Michael Foster's salary was 2.5 per cent, which was below the forecast average increase for employees across the whole Group. Robert Careless received a 4.8 per cent increase to bring him more closely into alignment with the market. James Deeley received a 7 per cent increase to reflect the greater responsibility he had taken on during 2009.

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(4) Two Executive Directors (2008: 2) have waived their fees from a subsidiary undertaking. Fees waived by these Directors during the year amounted to £1,200 (2008: £1,200).

(ii) Pensions and payments in lieu of pensions and life assurance

	Michael Foster £	Robert Careless ¹ £	James Deeley £
Accumulated total accrued pension at year end ²	17,600	17,200	8,000
Increase in accrued pension during year excluding inflation	2,800	1,600	2,100
Increase in accrued pension during year including inflation	3,500	2,300	2,300
Transfer value of benefits accrued during the year excluding inflation	65,400	37,600	28,800
Transfer value of benefits accrued during the year including inflation	81,800	55,100	32,700
Transfer value accrued at end of year	408,900	403,800	111,700
Transfer value at start of year	232,300	238,700	42,600
Increase in transfer value over year	176,600	165,100	69,100

- The accrued entitlement includes that earned by Robert Careless as an employee, prior to becoming a Director, as well as that earned for qualifying services after becoming a Director.
- The pension entitlement shown in the first row is the aggregate amount which would be paid annually on normal retirement based on service to the end of 2009 under the approved scheme.
- The transfer value has been calculated on the basis of actuarial advice in accordance with Actuarial Guidance Note GN11.
- The transfer value of the accrued entitlement represents the value of assets that the pension schemes would need to transfer to another pension provider on transferring the scheme's liabilities in respect of the Director's pension benefits. It does not represent sums payable to the individual Directors and, therefore, cannot be added meaningfully to annual remuneration.
- The transfer value of the increases in accrued benefits, required by the Listing Rules, discloses the current value of the increase in accrued benefits that the Director has earned in the period, whereas the change in its transfer value, required by the Companies Act, discloses the absolute increase or decrease in its transfer value and includes the change in value of the accrued benefits that results from market volatility affecting the transfer value at the beginning of the period, as well as additional value earned in the year.

(b) Directors' interests

(i) Shareholdings

The beneficial interests of the Directors in the share capital of the Company as at 31 December 2009 were as follows:

Directors	Total as at 31.12.2009	Total as at 31.12.2008
Executive Directors		
Michael Foster ¹	94,739	42,266
Robert Careless	43,824	35,895
James Deeley	2,000	2,000
Non-Executive Directors		
Lars Emilson	10,000	10,000
John Biles	8,461	8,461
The Hon. James Bruce	–	–
Grey Denham	1,000	1,000
John Neill	87,278	87,278
Andrew Osborne	1,000	–
Manfred Wennemer	–	–
Total	248,302	186,900

¹ 93,739 shares are held by Mrs Marion Foster and 1,000 shares are held by Miss Emma Foster, both connected persons to Michael Foster.

There has been no change in the beneficial interests of the Directors in the share capital of the Company between 1 January 2010 and the date of this remuneration report.

(ii) Share options and incentives

Awards under Charter International plc Incentive Plans

	Grant date	Number at 01 January 2009	Granted in year	Exercised in year	Lapsed in year	Number at 31 December 2009	Exercise price	Earliest exercise date	Expiry date	Value at 31 December 2009 ¹
Michael Foster										
MF Plan	22.03.05 ⁵	149,089	–	149,089	–	Nil	217.99p	March 08	12.03.09	Nil
LTIP	24.03.06 ⁶	46,378	–	19,478	26,900	Nil	Nil	24.03.09	–	Nil
LTIP	22.03.07	46,673	–	–	–	46,673	Nil	22.03.10	–	336,979
LTIP	25.03.08	64,800	–	–	–	64,800	Nil	25.03.11	–	467,856
LTIP	09.03.09 ²	–	125,763	–	–	125,763	Nil	09.03.12	–	908,009
DBP	25.03.08	13,824	–	–	–	13,824	Nil	25.03.11	–	99,809
DBP	23.05.08 ⁴	184	–	–	–	184	Nil	25.03.11	–	1,328
DBP	09.03.09 ³	–	21,422	–	–	21,422	Nil	09.03.12	–	154,667
Total		320,948	147,185	168,567	26,900	272,666				1,968,648
Robert Careless										
LTIP	24.03.06 ⁶	30,691	–	12,890	17,801	Nil	Nil	24.03.09	–	Nil
LTIP	22.03.07	29,170	–	–	–	29,170	Nil	22.03.10	–	210,607
LTIP	25.03.08	36,936	–	–	–	36,936	Nil	25.03.11	–	266,678
LTIP	09.03.09 ²	–	71,684	–	–	71,684	Nil	09.03.12	–	517,558
DBP	25.03.08	8,493	–	–	–	8,493	Nil	25.03.11	–	61,319
DBP	23.05.08 ⁴	113	–	–	–	113	Nil	25.03.11	–	816
DBP	09.03.09 ³	–	11,340	–	–	11,340	Nil	09.03.12	–	81,875
Total		105,403	83,024	12,890	17,801	157,736				1,138,853
James Deeley										
LTIP	10.07.06 ⁷	19,257	–	–	19,257	Nil	Nil	10.07.09	–	Nil
LTIP	22.03.07	23,336	–	–	–	23,336	Nil	22.03.10	–	168,486
LTIP	25.03.08	32,400	–	–	–	32,400	Nil	25.03.11	–	233,928
LTIP	09.03.09 ²	–	62,881	–	–	62,881	Nil	09.03.12	–	454,001
DBP	25.03.08	6,912	–	–	–	6,912	Nil	25.03.11	–	49,905
DBP	23.05.08 ⁴	92	–	–	–	92	Nil	25.03.11	–	664
DBP	09.03.09 ³	–	11,474	–	–	11,474	Nil	09.03.12	–	82,842
Total		81,997	74,355	–	19,257	137,095				989,826

- The value of the awards under the LTIP shows the number of the awards held multiplied by the market price of the Company's shares at 31 December 2009. The assumption is that the maximum number of options/awards vested in accordance with the performance conditions described on page 57. It should be noted that the actual value may be less than the maximum, including zero if performance conditions are not met.
- The number of shares granted on 09 March 2009 is the share equivalent of 100 per cent of the base salary based on the average of the mid-market closing values of the Company's shares for the five dealing days ending on 6 March 2009, being 409.5 pence.
- These awards under the DBP represent 25 per cent of the bonus payable to the Executive Directors, in respect of the year ended 31 December 2008. The awards were calculated by reference to the average share price of the Company over the five dealing days ending on 6 March 2009, being 409.5 pence.
- Awards represent the reinvestment of the final dividend for the year ended 31 December 2009 using a share price of 899 pence to calculate the number of shares subject to the award, which was the share price on the ex-dividend date of 30 April 2009.
- On 9 March 2009 Michael Foster exercised his award under the MF Plan in full following satisfaction of the performance conditions. 109,319 shares were sold to meet the exercise price, tax and NI liabilities, the remaining 39,770 shares were retained by Michael Foster. The market price on the date of exercise was 387.5 pence.
- On 29 April 2009 Michael Foster and Robert Careless exercised their awards under the LTIP granted on the 24 March 2006. The assessment of the performance conditions produced a vesting of 42 per cent of the original award. Michael Foster sold 6,775 shares to meet the tax and NI liabilities and retained 12,703 shares. Robert Careless sold 4,961 shares to meet the tax and NI liabilities and retained 7,929 shares. The market price on the date of exercise was 525 pence.
- The performance conditions for the LTIP were not met and the award lapsed.
- During the year, the range of share prices was 315.5 pence to 770.0 pence, with the price on 31 December 2009 being 722.0 pence.
- The performance conditions applying to any of the above awards are as described on page 57.
- The accrued cost of Directors' LTIP awards outstanding at 31 December 2009, calculated in accordance with IFRS2 'share-based payment' was £1.9 million (2008: £1.3 million).

By order of the Board

Grey DenhamChairman of the Remuneration Committee
23 March 2010Registered office:
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